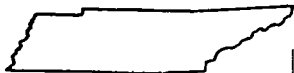


# Tennessee Power Company®



December 19, 1997

REC'D TN  
REGULATORY AUTH.

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OFFICE OF THE  
EXECUTIVE SECRETARY

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

RE: Electric Power Board of Chattanooga - Docket No. 97-07488

Dear Mr. Waddell

Please find enclosed a copy of Tennessee Power Company's petition for leave to intervene in Docket No. 97-07488 regarding the Electric Power Board of Chattanooga entering the telecommunications market. The original and 13 copies of the petition are concurrently being forwarded to Ms. Marcia Givens under separate cover. Also enclosed is a check in the amount of \$25 to cover the filing fee.

Sincerely,

Michael R. Knauff

Enclosures

**Michael R. Knauff**  
**President**

4612 Maria Street  
Chattanooga, TN 37411-1209  
(423) 624-0852  
FAX (423) 624-4906  
E-Mail [tpco@earthlink.net](mailto:tpco@earthlink.net)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Electric Power Board of Chattanooga )

) Docket No. 97-07488

REC'D TN  
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OFFICE OF THE  
EXECUTIVE SECRETARY

**PETITION OF TENNESSEE POWER COMPANY FOR  
LEAVE TO INTERVENE**

Pursuant to T.C.A. §4-5-310 and T.C.A. §65-2-107, Tennessee Power Company ("TPCO") hereby petitions the Tennessee Regulatory Authority (the "Authority") for leave to intervene in the above-captioned proceeding, and in support thereof states as follows.

1 Communications concerning this matter should be served upon the following person, who should also be included on the official list compiled for this proceeding

Michael R. Knauff  
President  
Tennessee Power Company  
4612 Mana Street  
Chattanooga, TN 37411-1209  
(423) 624-0852 (423) 624-4906 (Fax)

2 TPCO is engaged in the business of brokering and marketing electric power. TPCO's activities as a power marketer are undertaken pursuant to a letter order issued by the Federal Energy Regulatory Commission ("FERC") on April 28, 1995 in Docket No. ER95-581-000. TPCO has complied with the requirements of that order and has submitted to FERC reports on its contracting

and transactions since receiving its authorization, all of which are publicly available. TPCO is actively engaged in marketing efforts in the states of the eastern interconnection, which includes the State of Tennessee. TPCO is a potential seller of capacity and energy within the State of Tennessee and has concerns regarding the development of competitive markets within the state.

3. Retail competition in the electric power market is within the rights of individual states. Several states have initiated action to bring about retail competition in the electric power market, the most prominent being California which will establish full retail competition throughout the state beginning January 1, 1998. In order to gain a competitive edge in the retail market, some power marketers are packaging several services together, such as telecommunications services, with electric power. A company which can offer several services, including such services as electric power and telecommunications, obviously has a competitive edge over a company which can offer only one service, such as only telecommunications, or only power.

4. Notwithstanding the current monopoly enjoyed by the Tennessee Valley Authority ("TVA") and the distributors of TVA power, the State of Tennessee can, and most likely will in the near future, enact legislation to implement retail competition in the electric power market.

5. While the timing of retail competition in the electric power market within the State of Tennessee may be debatable, experts within the industry will surely agree that it is inevitable. Consequently, the Authority should give consideration to the impact on future competition of allowing an entity which

already enjoys a monopoly in the power market to work toward market dominance in the telecommunications market as well before competition is introduced into the power market.

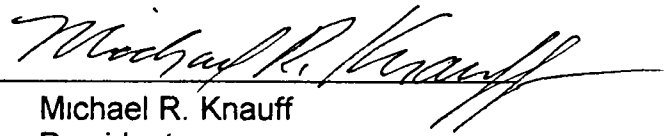
6. In addition, notwithstanding the support some in the telecommunications industry may have lent to the legislation permitting municipal power systems to enter into the telecommunications business, it appears to violate the concept of fairness in reciprocity, i e , if you are given access to compete in my market, I should be given access to compete in your market.

7. For the reasons stated above TPCO has an interest in the outcome of this proceeding and submits that no other person can adequately represent TPCO's interests in the proceeding.

WHEREFORE, for the foregoing reasons TPCO requests that it be permitted to intervene and participate as a party

Respectfully submitted,  
Tennessee Power Company

By.

  
Michael R. Knauff  
President

## CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing petition upon all parties included on the official service list of the Authority in this proceeding.

Dated this 19th day of December 1997 at Chattanooga, Tennessee.

  
Michael R. Knauff

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Electric Power Board of Chattanooga )

) Docket No. 97-07488

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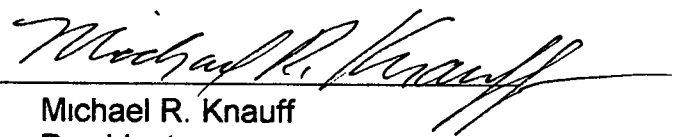
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Dated this 19th day of December 1997 at Chattanooga, Tennessee.

  
Michael R Knauff